

Community Development Business Group

Mission Statement

It is the mission of the Community Development Business Group to formulate and implement programs designed to improve the quality of the City's neighborhoods, to create and retain jobs, and to expand and protect the tax base.

Primary Functions → The services provided in this Division are organized around four different areas of focus:

- **CDBG Administration** → Staff perform day to day activities, including planning, formulating applications, reviewing performance, accounting, acquiring land, and conducting environmental assessments. In addition, staff provides assistance to various groups including the Citizen Participation Committee, the Historical Preservation Commission, the Homestead Board, and non-profit development corporations.
- **Economic Development** → Provide technical and financial assistance to the City's industrial and commercial businesses.
- **Neighborhood Development** → Administer all City housing rehabilitation and new construction programs, including housing acquisitions, demolitions, homeless programs, and community assistance program projects and coordinate the efforts of others to bring about economic, physical, and social improvements in selected neighborhoods.
- **Home Program** → Annual Federal housing grant program designed to fund operating and project expenses for Community Housing Development Organizations (CHDO) that rehabilitate housing, offer homesteading opportunities for low-income homebuyers either through new construction or rehabilitation of residential properties, and fund housing rehabilitation for existing low-income homeowners.

2011 Accomplishments →

- Administered the Healthy Neighborhoods program and other renewed or new public service projects.
- Continued existing rehabilitation programs for focus area residents, the physically disabled and elderly. Applied for a grant through the Bank's Affordable Housing Program which, if awarded, will help serve 30 households in 2012.
- Code Enforcement provided needed services to the CDBG area. A number of sweeps were completed: Broadway business district, Underwood full enforcement, 9th Ward, and Kishwaukee Weed and Seed.

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- Homebuyer assistance was provided to income eligible purchasers through a grant with the Rockford Area Affordable Housing Coalition and Neighborhood Housing Services of Freeport. The City will continue to provide technical assistance for this two (2) year grant.
- Continued to work towards the build out of the subdivision at Springfield Corners, Thatcher Blake Riverwalk, 21xx Reed Avenue, Lincolnwood II, Garrison Lofts/Townhomes sites and the sale of scattered site new construction projects.
- Planned, developed and administered programs according to CDBG and HOME Federal requirements.
- Sought proposals for Community Housing Development Organizations (CHDO) operating funds and awarded funds to two CHDOs. Monitored and completed awards from previous year.
- Monitored for-profit and non-profit new construction and rehabilitation activities.
- Continued partnerships with the Winnebago County Health Department and the Human Services Department in order to address lead based paint hazards and weatherize homes leveraging our federal funds.
- Demolished blighted properties.
- Continued to work with a developer to secure project financing for Church School.
- Continued partnerships with Northwestern IL Area Agency on Aging and Regional Access Mobilization Program and began the administration of the IHDA's Home Modification Program.
- Continued to lend our support to outside activities such as the Money Smart Week Campaign and committees associated with the Rockford Area Affordable Housing Coalition and Rockford Area Association of Realtors.
- Continued to administer and report on the accomplishments of the CDBG-R grant and the Neighborhood Stabilization Program1 grant which were granted under the American Recovery and Reinvestment Act of 2009 and HERA of 2008. Began the demolition of Barber Colman Buildings 10 & 19 with CDBG-R funds.
- Completed the 2012 Annual Plan and the Community Annual Performance and Evaluation Report (CAPER) for 2010.

2012 Goals and Objectives →

- Administer the Healthy Neighborhoods program and other renewed or new public service and public facilities and improvements projects representing three projects. Additionally, Discovery Center will continue its 21st Century After School Program and the Rockford Area Affordable Housing Coalition will provide pre- and post-purchase counseling services.

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- Continue existing housing rehab and new construction programs with a focus on main thoroughfares and expanded area programs assisting 124 units.
- Code Enforcement will continue to provide needed services to CDBG areas.
- Homebuyer assistance will be provided to purchasers within the Tax Incentive Program, IHDA Homebuyer Assistance Program as well as Community Housing Development Organizations and other City supported projects.
- Continue to facilitate the continued build out of the subdivision at Springfield Corners, Thatcher Blake Riverwalk, 21xx Reed Avenue, Garrison Lofts/Townhomes sites and the redevelopment of the Jackson School TIF.
- Plan, develop, and administer programs according to CDBG and HOME Federal requirements and monitor sub-recipient activity.
- Seek proposals for CHDO operating funds and monitor project completion. It is anticipated that three organizations will be assisted.
- Provide technical assistance to Freeport NHS and RAAHC in their successful administration of IHDA's Homebuyer Assistance Program.
- Continue partnerships with the Winnebago County Health Department and the Human Services Department in order to address lead based paint hazards and weatherize homes leveraging our federal funds when feasible and funding available.
- Administer the Federal Home Loan Banks Affordable Housing Program grant once awarded.
- Demolish 23 blighted properties.
- Begin the redevelopment of Church School, working with a developer.
- Continue to assist elderly and physically disabled persons through a home modification program; reapply for funds through IHDA if the IHDA Home Modification grant is funded again.
- Continue to lend our support to outside activities such as the Money Smart Week Campaign, Bootcamp, Rockford Area Affordable Housing Coalition, Rockford Area Association of Realtors, and other various committees throughout the community.
- Continue to administer and report on the accomplishments of the CDBG-R grant and Neighborhood Stabilization Program¹ grant under the American Recovery and Reinvestment Act of 2009 and HERA of 2008.

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Economic Development

The Economic Development Program, budgeted at \$535,897, is funded by the Community Development Block Grant. The whole amount is allocated for program costs, with a transfer for economic development staff, housed in the Planning Division, budgeted at \$117,300.

Economic Development funding includes the following:

- \$206,597 for the Rehab and Development Assistance program designed to help create development opportunity in the City of Rockford and future projects providing a wage above the threshold median hourly wage to numerous low/moderate income City residents. Also, the loan/grant will be used for projects that have the potential to fill a long-vacant building or site, preferably in one of the City's TIF districts, the City's State certified Enterprise Zone, or one of the previously described strategic areas.
- \$30,000 for the Self-Employment Training Program that will provide basic entrepreneurial training to low to moderate-income persons in conjunction with Rock Valley College's Small Business Development Center. Projected training is for 80 participants.

Neighborhood Development

Housing programs, budgeted at \$2,989,243, are funded from three grant programs: the Community Development Block Grant, \$1,538,332; the Home Program, \$1,257,753; Emergency Shelter Grants, \$92,558; and program income, \$100,600.

Neighborhood Development funding includes the following:

- \$1,376,333 to assist existing owner occupants and new homebuyers. The funding will be used to make exterior improvements, interior health and safety code items and work needed to remove lead hazards. The City anticipates assisting approximately 74 low-income households once funds are leveraged with HOME funds.
- \$570,260 is to fund the code enforcement program, which will address approximately 3,400 self-initiated and neighborhood standards complaints.
- \$26,000 for the Lead Based Paint Hazard Reduction Program as a 10% match that will be provided to the Human Services Department to match a State of Illinois lead-based paint federal grant. The program is only made available to low-moderate income households. The City anticipates assisting 15 low-moderate income households.
- \$257,919 for continuation of the Demolition Program for demolishing abandoned, vacant, or boarded up properties primarily identified by the Focus Area Action Plan and deteriorated properties located near schools, on major thoroughfares, and strategically located scattered sites. The City anticipates the demolition of 23 units/structures.
- \$25,000 for the Rockford Area Affordable Housing Coalition for pre-purchase counseling to all participating buyers. Also included is information on employment, repairing credit, savings methods, and the overall home buying process.
- \$50,000 to the Discovery Center for an after school program.
- \$55,000 in funds will be awarded to neighborhood groups and/or other non-profits to do special projects that serve lower-income individuals/neighborhoods. Projected activity is three units.

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- \$15,000 for the Ramp Program to build ramps for low-income persons with mobility disabilities. Projected activity is 12 units to be administered by the Rockford Area Mobilization Project.
- \$36,500 is to be used by CHDO's for operating expenses. Funding level is for two CHDO's.
- \$92,558 is for the Emergency Shelter Grant program, administered by the Human Services Department.

In addition, \$477,192 is budgeted for Block Grant general administrative costs, which includes \$74,313 for Section 108 debt payment if necessary. Funding is from Block Grant, \$363,990, the Home Program \$90,302, NSP funds, \$74,313, and program income, \$22,900.

Budget Analysis

CD DEVELOPMENT DIVISION BUDGET SUMMARY					
APPROPRIATION	2010 <u>ACTUAL</u>	2011 <u>BUDGET</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	INCREASE (DECREASE)
PERSONNEL	\$523,840	\$685,617	\$603,556	\$691,707	\$6,090
CONTRACTUAL	448,358	311,992	702,751	333,896	21,904
SUPPLIES	5,973	9,150	2,707	5,050	(4,100)
OTHER	3,609,705	3,536,792	2,989,112	3,001,227	(535,565)
CAPITAL	0	0	0	0	0
TOTAL	<u>\$4,587,876</u>	<u>\$4,543,551</u>	<u>\$4,298,126</u>	<u>\$4,031,880</u>	<u>(\$511,671)</u>
STAFFING REVIEW					
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	INCREASE (DECREASE)
	7.50	7.00	8.00	8.00	0.00
FUNDING SOURCE					
		2011 <u>AMOUNT</u>	2011 <u>PERCENTAGE</u>	2012 <u>AMOUNT</u>	2012 <u>PERCENTAGE</u>
CURRENT FUNDS					
COMMUNITY DEVELOPMENT GRANT		\$2,355,780	52.6	\$1,997,830	50.3
HOME PROGRAM		1,015,047	22.7	903,029	22.7
OTHER FEDERAL/STATE		92,065	2.1	92,558	2.3
PROGRAM INCOME		<u>122,000</u>	<u>2.7</u>	<u>123,500</u>	<u>3.1</u>
		3,584,892	80.1	3,116,917	78.4
REPROGRAMMED FUNDS-PRIOR YEARS					
COMMUNITY DEVELOPMENT GRANT		422,000	9.4	410,418	10.3
HOME PROGRAM		472,825	10.5	445,026	11.2
OTHER FEDERAL/STATE		0	0.0	0	0.1
		<u>894,825</u>	<u>19.9</u>	<u>855,444</u>	<u>21.6</u>
TOTAL		<u>\$4,479,717</u>	<u>100.0</u>	<u>\$3,972,361</u>	<u>100.0</u>

The 2012 budget is \$4,031,880, which is a decrease of \$511,671 a small increase in Administration (\$62,846), offset by decreases in Economic Development (\$136,395), Neighborhood Development (\$310,801), and Home (\$128,122).

Personnel costs increased \$6,090 (0.9%), due to increases in health insurance (\$8,034), and workman's compensation (\$1,197) offset by a decrease in salaries (\$4,160).

Non-program contractual expenses increased \$21,900 with adjustments in a number of accounts. Microcomputer charges increase \$13,450, risk management \$8,780, building rent \$4,280, and

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vehicle repairs \$2,600 to reflect changes in activity levels. Travel decreases \$4,608 and audit \$3,650. Supply costs decrease \$4,100 to reflect actual expenses for office supplies.

Program income is \$107,000 for the Block Grant and \$16,500 for the HOME program.

Under Federal guidelines, grant years remain open until funds are expended. The Division estimates that at the end of 2011, a total of \$855,444 will be reprogrammed for 2012. These reprogrammed funds include \$410,418 in prior year Community Development Block Grant Funds, and \$445,026 in prior year Home Program funds.

In 2011, the Community Development Business Group spent \$4,298,126 or 94.6% of its budgeted allocation. In the past several years, spending has been between 81% and 134% of the budgeted amount.

Capital Equipment

For 2012, the Division will not have any capital purchases.

Five Year Financial Forecast

The 2013-2017 five-year forecast assumes that both Federal and local funding sources will stagnate and expenditures will not exceed revenue limits. It is further assumed that the Division will spend its annual budget. No assumptions are made for new programs.

COMMUNITY DEVELOPMENT BLOCK GRANT FUND 2013-2017 FINANCIAL FORECAST (IN 000'S)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues	\$3,897	\$4,014	\$4,134	\$4,258	\$4,386
Expenditures	<u>3,897</u>	<u>4,014</u>	<u>4,134</u>	<u>4,258</u>	<u>4,386</u>
Excess(Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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Personnel Review

COMMUNITY DEVELOPMENT BLOCK GRANT DIVISION				
BENEFITS AND SALARIES		2011	2012	INCREASE/ (DECREASE)
SALARY		<u>BUDGET</u>	<u>BUDGET</u>	
PERMANENT		\$431,880	\$427,720	(\$4,160)
TOTAL SALARIES		<u>\$431,880</u>	<u>\$427,720</u>	<u>(\$4,160)</u>
BENEFITS				
ILLINOIS MUNICIPAL RETIREMENT		\$88,363	\$89,094	\$731
UNEMPLOYMENT TAX		1,440	1,440	0
WORKMEN'S COMPENSATION		5,966	7,163	1,197
HEALTH INSURANCE		153,504	161,538	8,034
RETIREE HEALTH INSURANCE		0	0	0
LIFE INSURANCE		624	624	0
PARKING BENEFITS		3,840	4,128	288
TOTAL BENEFITS		<u>\$253,737</u>	<u>\$263,987</u>	<u>\$10,250</u>
TOTAL COMPENSATION		<u>\$685,617</u>	<u>\$691,707</u>	<u>\$6,090</u>
	POSITION	2011	2012	INCREASE/ (DECREASE)
POSITION TITLE	RANGE	EMPLOYEES	EMPLOYEES	
DEVELOPMENT PROGRAMS MANAGER	E-10	1.00	1.00	0.00
GRANTS COMPLIANCE SPECIALIST II	E-7	1.00	1.00	0.00
GRANTS COMPLIANCE SPECIALIST I	E-6	1.00	1.00	0.00
HOUSING REHAB SPECIALIST II	E-6	1.00	1.00	0.00
HOUSING REHAB SPECIALIST I	E-5	1.00	1.00	0.00
REHAB CONST SPECIALIST I	CD-15	2.00	2.00	0.00
SENIOR ADMINISTRATIVE ASSISTANT	E-6	1.00	1.00	0.00
TOTAL PERSONNEL		<u>8.00</u>	<u>8.00</u>	<u>0.00</u>

Performance Measurements

Plans for 2012 forecast similar levels of activity. Selected activity levels for 2009-2012 are illustrated below.

	2009 <u>Actual</u>	2010 <u>Actual</u>	2011 <u>Actual</u>	2012 <u>Projected</u>
Housing rehabilitation	90	96	124	124
Homeless programs	4	4	5	5
New construction units	10	2	27	24
Demolitions	13	44	25	10
Public services/facilities, organizations	9	7	8	8
Acquisitions	4	5	2	2
Homebuyer Assistance	24	13	8	8
Tax incentive program	0	0	3	3